

**SUPPORTING STATEMENT FOR VA FORM 5655
FINANCIAL STATUS REPORT
(2900-0165)**

Justification:

1. Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection of information.

VA Form 5655, Financial Status Report, is used to determine eligibility for waiver of collection, for the acceptance of a compromise offer or for a payment plan. VA collects debts as authorized in 31 USC 3711 and 3716 – 3718, 38 USC 5314 and 5316 and 5 USC 5514. Information collected on VA Form 5655 is required for evaluating waiver request under 38 USC 5302 and 38 CFR 1.965. The same information is also required to consider installment payments (38 CFR 1.917), compromise (38 CFR 1.931), suspension of collection (38 CFR 1.941), or termination of collection (38 CFR 1.942). VA may provide VA Form 5655 to individuals subject to offset of VA payments other than salary and monthly VA benefits under 38 CFR 1.912, and to employees subject to offset of salary under either 38 CFR 1.982 (salary offset for debts involving VA benefits) or 38 CFR 1.983 (salary offset for debts not involving VA benefits).

2. Indicate how, by whom, and for what purposes the information is to be used; indicate actual use the agency has made of the information received from current collection.

Blank VA Forms 5655 are attached to first collection letters sent to debtors owing VA benefit debts. Submission of the completed form is voluntary on the part of the debtor unless they requests waiver of collection, makes a compromise offer, requests a payment plan or establish their inability to pay the debt under any circumstances. Federal employees subject to salary offset may use Form 5655 to support their contention that the proposed offset schedule would create extreme hardship. The information obtained with the form enables VA Debt Management Center, VA regional offices, Federal Salary Offset hearing officers at other agencies and other deciding committees and boards to determine the financial status of debtors exercising their rights under the statutes and regulations listed above. In most cases, the information on the form is in sufficient detail to allow a determination without the necessity of resorting to commercial credit reports or field examinations, unless they are absolutely necessary to supplement or validate information of record or to prevent dissipation of assets.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

VA Form 5655 is available for download from Debt Management Center's Web site, <http://www1.va.gov/debtman>, in portable document format. One version of the form is fillable on the website. The document must be printed and both the debtor and their spouse must sign and date it. To ensure security, privacy and program integrity, the document must be submitted by mail or fax.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

We know of no area of duplication in the collection of this information. The information is specific to an individual and is an opportunity for the debtor to provide current financial information.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The collection of this information does not involve small businesses or entities.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently as well as any technical or legal obstacles to reducing burden.

Collection of the information solicited on VA Form 5655 by other means and involuntarily would be expensive, time consuming and, necessarily, intrusive. Consumer reports do not offer the reliability and scope of information as that provided by debtors, themselves.

7. Explain any special circumstances that would cause an information collection to be conducted more often than quarterly or require respondents to prepare written responses to a collection of information in fewer than 30 days after receipt of it; submit more than an original and two copies of any document; retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study and require the use of a statistical data classification that has not been reviewed and approved by OMB.

There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

8. a. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the sponsor's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the sponsor in responses to these comments. Specifically address comments received on cost and hour burden.

The Department notice was published _____, _____, 20XX, page XXXX, Vol. XX, No. XX. VA received no comments.

b. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, clarity of instructions and recordkeeping, disclosure or reporting format, and on the data elements to be recorded, disclosed or reported. Explain any circumstances which preclude consultation every three years with representatives of those from whom information is to be obtained.

Specific consultations outside the Department were not made since the parties involved are completing the form satisfactorily.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

A decision to provide any payment or gift to respondents does not apply.

10. Describe any assurance of privacy, to the extent permitted by law, provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

VA Form 5655, Financial Status Report, is maintained in the Veteran's claims folder and may be stored in electronic format at the Debt Management Center. Information entered on the form is protected from unauthorized disclosure by 38 USC 5701.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private; include specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

None of the questions on the form are considered to be of a sensitive nature.

12. Estimate of the hour burden of the collection of information:

- a. Number of Respondents: 116,151
- b. Frequency of Response: Once
- c. Estimated Completion Time: 1 hour
- d. Annual Burden Hours: 116,151
- e. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13:

According to the May 2018 U.S. Bureau of Labor Statistics National Occupational Employment and Wage Estimates, the Mean Hourly Wage earnings cost to the respondent is \$24.98, making the total cost to the respondents \$2,901,463 (burden hours x hourly wage). This is based on occupational code: 00-0000.
https://www.bls.gov/oes/current/oes_nat.htm

If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

The annual cost to the public is \$2,901,463; calculated as follows:

The cost of completing 116,151 forms is \$2,901,463 based on 60 minutes completion time at the Bureau of Labor Statistics "All Occupation" mean hourly wage of \$24.98 per hour.

14. Provide estimates of annual cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operation expenses (such as equipment, overhead, printing, and support staff), and any other expense that

would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

Estimated annualized costs to the Federal Government: \$669,096 calculated as follows:

The cost of inserting and mailing 442,482 forms is \$513,279 based on a cost of \$1.16 for each form mailed. The costs of the envelope and the insertion operation are traditionally quoted as a bundle.

The cost for processing the VA Form 5655 is \$155,817. This cost is based on processing 116,151 forms; three minutes per form at \$26.83 per hour. The hourly rate is based on the Office of Personnel Management General Schedule (GS) 2019 pay tables for the mean pay grade of the GS employees performing the task.

15. Explain the reason for any program changes or adjustments in burden hours or respondent burden.

Debt Management Center continues to experience a surge in compensation and pension debts as well as education debts. We believe the increase in compensation and pension debts is attributable to the focus on improper payments within the Veterans Benefits Administration as well as maintenance processing on established claims. We believe the increase in education debts is directly related to the 9/11 GI Bill education program.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The information to be collected is not for publication.

17. If seeking approval to omit the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate

The collection instrument, VA Form 5655, may be reproduced and/or stocked by the respondents and Veterans Service Organizations. This VA form does not display an expiration date. If required to display an expiration date, unnecessary waste of existing stock would occur. These forms are submitted to OMB for approval every three years. As such, an expiration date requirement would delay Department action on the benefit being sought or right being exercised. VA also seeks to minimize the costs to itself for collecting, processing and using the information disclosed. For the reasons stated, VA continues its request for an exemption to the requirement to display an expiration date on VA Form 5655.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB 83-I.

This submission does not contain any exceptions to the certification statement.